



Guideline

Local Option Taxes by Location

July 2005

LOCAL OPTION TAXES

This guideline contains information on local sales and use taxes, lodging taxes and lodging and restaurant taxes **imposed by cities and counties** but administered by the North Dakota Office of State Tax Commissioner. Local option sales and use taxes are reported on the same form as the state sales taxes. However, city lodging taxes and city lodging and restaurant taxes are reported to the State Tax Commissioner on a separate form. This guideline summarizes all the North Dakota cities and counties imposing local sales and use taxes. (For state sales tax rates, please see page 8 of this guideline.)

City Lodging Tax & City Lodging and Restaurant Tax

In addition to city sales and use taxes, many cities impose local taxes on lodging accommodations, restaurant meals and on-sale beverages. Unlike city sales and use taxes, city lodging and lodging and restaurant taxes do not contain any special exemptions or compensation allowances. Information on these local taxes is provided below.

City Lodging Tax

City	Rate	City	Rate	City	Rate	City	Rate
Ashley	2%	Devils Lake	2%	Mandan	2%	Watford City	2%
Belfield	2%	Dickinson	2%	Medora	2%	West Fargo	2%
Beulah	2%	Garrison	2%	New Town	1%	Williston	2%
Bismarck	2%	Grafton	2%	Rugby	2%		
Bottineau	2%	Hettinger	2%	Steele	2%		
Bowman	2%	Jamestown	2%	Tioga	1%		
Carrington	2%	Langdon	2%	Wahpeton	2%		

Note: Fargo (3%), Grand Forks (3%), Minot (3%) and Valley City (3%) also impose a local lodging tax, however, their taxes are administered locally.

City Lodging and Restaurant Tax

City	Applies to	Rate	City	Applies to	Rate
Bismarck	Lodging, food, liquor	1%	Hazen	Lodging, food, liquor	1%
Bottineau	Lodging, food, liquor	1%	Jamestown	Lodging, food	1%
Bowman	Lodging, food, liquor	1%	Mandan	Lodging, food, liquor	1%
Devils Lake	Lodging, food	1%	Pick City	Food, liquor	1%
Dickinson	Lodging, food, liquor	1%	Rugby	Lodging, food	1%
Edgeley	Lodging, food, liquor	1%	Valley City	Food, liquor	1%
Ellendale	Lodging, food, liquor	1%			

Collection and Payment of Local Taxes

Local tax is imposed on taxable sales when possession of the goods transfers to the purchaser or the purchaser's agent within a jurisdiction (city or county) imposing a local tax. Leasing or rental companies with property located inside a taxing jurisdiction must collect local sales tax on lease or rental payments, including those contracted prior to the effective date of the local tax.

Retailers located within a taxing jurisdiction:

- ♦ *Must collect* the local tax when the purchaser takes possession of the goods at the retailer's location or elsewhere within the taxing jurisdiction.
- ♦ *Must not collect* the local tax for goods delivered in the retailers own vehicles or by common carrier to the purchaser outside the taxing jurisdiction.

North Dakota Office of State Tax Commissioner

600 E Boulevard Ave., Dept 127
Bismarck, ND 58505-0599

701.328.3470
www.ndtaxdepartment.gov

salestax@state.nd.us
www.discovernd.com

Retailers located outside a taxing jurisdiction including those retailers located in another city or county that imposes a local sales tax:

- ◆ *Must collect* the local tax when the goods are delivered into a local taxing jurisdiction by the retailer's delivery vehicles.
- ◆ *Must collect* the local tax if the seller delivers the goods by common carrier to the purchaser within a taxing jurisdiction if the retailer has sufficient business presence within that local taxing jurisdiction.
- ◆ *Must not collect* the local tax where the purchaser is located when the purchaser takes possession of the goods at the retailer's location which is in a different taxing jurisdiction than the purchaser.

A sufficient business presence by a retailer within a local taxing jurisdiction includes, but is not limited to:

- ◆ Sales or service people working in a city or county;
- ◆ Regular or frequent deliveries into a city or county with the seller's own vehicles;
- ◆ Property ownership or use including lease or rental within a city or county; or
- ◆ Contractors working in a city or county on behalf of the retailer.

If the purchaser did not pay a local tax at the time of purchase, the goods will be subject to local *use* tax if the purchaser takes the goods into a city or county with a local use tax for storage, use or consumption in that taxing jurisdiction. The tax is due on the cost or fair market value of the goods when they enter the taxing jurisdiction. In these situations, the consumer is responsible to report the purchase and pay the local tax liability. The seller of the goods is not responsible to collect the use tax in this situation.

Contractors

Contractors and subcontractors who use tangible personal property in the performance of construction contracts within a taxing jurisdiction are subject to city or county use tax. Local use tax may be paid directly to the seller of the goods or may be accrued by the contractor for payment to the Office of State Tax Commissioner. Under state law, a contractor or subcontractor is subject to use tax regardless of who owns the goods unless local sales or use tax has already been paid on the goods.

Construction materials are subject to local tax if:

- ◆ Purchased from a retailer located inside a taxing jurisdiction for use inside that taxing jurisdiction.
- ◆ Purchased elsewhere but stored, used or consumed inside a taxing jurisdiction. ***Please Note:*** The local tax due is reduced by the local tax legally due and paid to another city or county.

Generally, contractors who provide a *Contractor's Certificate* to avoid payment of sales tax at the time construction materials are purchased are subject to the city or county use tax when the goods are installed whether the goods are used inside or outside of a taxing jurisdiction. The tax is due to the taxing jurisdiction where the goods were purchased.

Twenty-four city sales tax ordinances provide a limited exemption for materials that are purchased within the city, but later installed outside of the city where the sale took place. These cities are Aneta, Bismarck, Bottineau, Cooperstown, Devils Lake, Dickinson, Drake, Enderlin, Fairmount, Fargo, Fort Ransom, Grenora, Gwinner, Hankinson, Hannaford, LaMoure, Lidgerwood, Lisbon, Mandan, McVillage, Mohall, Page, St. John and Williston.

To qualify for the limited exemption, a contractor must provide the supplier a *Contractor's Certificate* at the time of purchase and ask to be exempt from both state and local sales taxes. When the goods are used, the contractor must pay state use tax on the cost of the goods. The local use tax is due to the city or county where the goods are installed only if the goods are installed within a city or county that imposes a local use tax.

A *Contractor's Certificate* may also be used in all other taxing jurisdictions that impose local sales and use taxes but that do not allow the limited exemption. When the materials are used, use tax is due to the local jurisdiction where the materials were purchased regardless of where the materials were installed. If the *Contractor's Certificate* is not provided, city, county and state sales tax are due at the time of purchase.

Construction materials are not subject to local tax if the goods were purchased from a retailer located in a taxing jurisdiction, but delivered by the retailer outside the taxing jurisdiction for use outside of that taxing jurisdiction.

It is important to note that the maximum local tax (or local tax cap) is calculated on each material **purchase** a contractor makes to fulfill a construction contract, not on purchase orders or the entire construction contract itself. For purposes of the maximum local tax, a purchase or sale is determined by the seller's normal billing method. Each invoice issued by the seller is considered a sale and is subject to the city or county tax cap. If a supplier makes multiple deliveries to a job site but bills all of the deliveries on one invoice, only one sale has taken place. If the seller invoices each delivery separately, each delivery is a sale and is subject to the local sales tax cap.

Local Option Sales And Use Taxes

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Aneta	Sales and Use	1-1-05	203	1%	New farm machinery Coin-operated amusement	\$25/sale	None
Ashley	Sales and Use	4-1-98	162	1%	None	\$25/sale	3% Max. - \$33.33/ month or \$100.00/quarter
Beach	Sales and Use	10-1-97	156	1%	New farm machinery	\$25/sale	None
Belfield	Sales and Use	4-1-95	133	1%	Natural gas	\$25/sale	None
Berthold	Sales and Use	1-1-96	138	1%	New farm machinery New farm irrigation equipment Coin-operated amusement	\$25/sale	None
Beulah	Sales and Use	10-1-03	200	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Bismarck	Sales and Use	4-1-86	102	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Bottineau	Sales and Use	1% - 10-1-93 1% - 10-1-99	122	2%	Natural gas New farm machinery New farm irrigation equipment	\$25/sale before 10-1-99 \$50/sale effective 10-1-99	3% Max. - \$50.00/ month or \$150.00/quarter
Bowman	Sales and Use	10-1-94	126	1%	Natural gas New farm machinery	\$25/sale	None
Buffalo	Sales and Use	1-1-03	196	1%	None	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Cando	Sales and Use Sales only (Repealed use tax)	1-1-98 7-1-98	161	1%	None	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Carrington	Sales and Use	1-1-94	124	1%	Natural gas New farm machinery Bingo cards Sales to: Rural electric coop. Rural telecommuni- cations cooperatives Telephone utility co.'s and cooperatives Natural gas utility co.'s Electric utility power companies Communication co.'s	\$25/sale	None
Carson	Sales and Use	10-1-02	191	1%	None	\$25/sale	None
Casselton	Sales and Use	4-1-98	163	1%	None	\$25/sale	None
Cavalier	Sales and Use	1% - 10-1-94 ½% - 10-1-98	127	1½%	Natural gas New farm machinery	\$25/sale before 10-1-98 \$37.50/sale effective 10-1-98	None
Cooperstown	Sales and Use	7-1-96	141	1%	New farm machinery Coin-operated amusement	\$25/sale	None
Crosby	Sales and Use	1-1-93	116	1%	New farm machinery	\$25/sale	None

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Devils Lake	Sales and Use	1-1-97	104	1½%	Natural gas Coin-operated amusement New farm machinery New farm irrigation equipment	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Dickinson	Sales and Use	1% - 7-1-90 ½% - 1-1-02	106	1½%	Natural gas	\$25/sale before 1-1-02 \$37.50/sale effective 1-1-02	None
Drake	Sales and Use	7-1-05	209	1%	None	None	None
Drayton	Sales and Use	10-1-97	157	1%	None	\$25/sale	None
Dunseith	Sales and Use	1-1-05	204	1%	None	\$25/sale	None
Edgeley	Sales and Use	1-1-97	148	1%	None	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Edinburg ³	Sales and Use	4-1-99	176	1%	New farm machinery	\$25/sale	None
Elgin	Sales and Use	4-1-00	179	1%	Until 4-1-02 Farm machinery Farm machinery repair parts Effective 4-1-02 None	\$25/sale	None
Ellendale	Sales and Use	1-1-95	131	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Enderlin	Sales and Use	10-1-98	166	1%	None	\$25/sale	None
Fairmount	Sales and Use	4-1-05	206	1%	None	None	None
Fargo	Sales and Use	1% - 7-1-92 ½% - 1-1-05	105	1½%	Coin-operated amusement	\$25/sale before 1-1-05 \$37.50/sale effective 1-1-05	None
Finley ⁴	Sales and Use	10-1-98	167	1%	Coin-operated amusement	\$25/sale	None
Fort Ransom	Sales and Use	1-1-00	177	1%	None	\$25/sale	None
Garrison	Sales and Use	1-1-96	139	1%	Natural gas New farm machinery New farm irrigation equipment Coin-operated amusement	\$25/sale	None
Grafton ³	Sales and Use	1-1-91	107	1%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Grand Forks ¹	Sales only Sales and Use	4-1-96 1¾% - 7-1-00	101	1¾% or 2%	Natural gas Mobile homes New farm machinery New farm irrigation equipment Coin-operated vending sales of 99¢ or less Cement, concrete, or asphalt installed outside the city 44% of gross receipts from coin-operated amusement	\$43.75/sale effective 4-1-96	5% Max. - \$166.67/ month or \$500.00/quarter

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Grenora	Sales and Use	10-1-02	192	1%	Natural gas	\$25/sale	None
Gwinner	Sales and Use	4-1-05	207	1%	Natural gas	None	None
Halliday	Sales and Use	7-1-96	143	1%	None	\$25/sale	None
Hankinson	Sales and Use	10-1-97	158	1%	None	\$25/sale	None
Hannaford	Sales and Use	10-1-04	202	1%	Coin-operated amusement	\$50/sale	None
Harvey	Sales and Use	10-1-91	112	1%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Hatton	Sales and Use	4-1-98	164	1%	Coin-operated amusement	\$25/sale	None
Hazelton	Sales and Use	10-1-00	180	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50/month or \$150/quarter
Hazen	Sales and Use	4-1-95	134	1%	New farm machinery New farm irrigation equipment	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Hettinger	Sales only Sales and Use	7-1-96 7-1-02	142	1%	New farm machinery Hotel, motel, and tourist court accommodations	\$25/sale	None
Hillsboro	Sales and Use	1% - 10-1-98 1% - 1-1-03	168	2%	Coin-operated amusement	\$25/sale before 1-1-03 \$50/sale effective 1-1-03	None
Hoople ³	Sales and Use	1-1-99	172	1%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Hope ⁴	Sales and Use	1-1-01	185	1%	Coin-operated amusement	\$25/sale	None
Jamestown	Sales and Use	1% - 7-1-91 1% - 4-1-02	110	2%	Natural gas New farm machinery Coin-operated amusement	\$25/sale before 4-1-02 \$50/sale effective 4-1-02	None
Kenmare	Sales and Use	1-1-93	117	1%	Mobile homes Natural gas New farm machinery New farm irrigation equipment Auto body repair parts	\$25/sale	None
Killdeer	Sales and Use	4-1-95	135	1%	Natural gas New farm machinery Bingo cards Communication services	\$25/sale	None
Kulm	Sales and Use	4-1-98	165	1%	None	\$25/sale	None
LaMoure	Sales and Use	1% - 1-1-97 ½% - 1-1-05	149	1½%	Natural gas New farm machinery	\$25/sale	None
Langdon	Sales and Use	1-1-94	123	1%	Natural gas New farm machinery Coin-operated amusement	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Larimore	Sales and Use	1-1-95	128	1%	None	\$25/sale	None
Lidgerwood	Sales and Use	10-1-00	181	1%	None	\$25/sale	None

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Linton	Sales and Use	10-1-93	121	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Lisbon	Sales and Use	7-1-95	136	1%	Natural gas New farm machinery New farm irrigation equipment	\$25/sale	None
Maddock	Sales and Use	10-1-02	193	1½%	None	\$25/sale	None
Mandan	Sales and Use	4-1-91	108	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Mayville	Sales and Use	1% - 1-1-97 1% - 7-1-03	150	2%	Coin-operated amusement	\$25/sale before 7-1-03 \$50/sale effective 7-1-03	None
McClusky	Sales and Use	1-1-96	140	1%	None	\$25/sale	None
McVile	Sales and Use	1-1-02	188	1%	New farm machinery Coin-operated amusement	\$25/sale	None
Medora	Sales and Use	2% - 1-1-00 ½% - 4-1-02	178	2½%	None	\$25/single unit purchase	None
Michigan	Sales and Use	1% - 10-1-01 ½% - 4-1-04	187	1½%	None	\$25/sale	None
Milnor	Sales and Use	1% - 10-1-98 ½% - 10-1-02	169	1½%	New farm machinery	\$25/sale	None
Minot	Sales and Use	1-1-98	103	2%	Natural gas Mobile homes New farm machinery New farm irrigation equipment Coin-operated amusement	\$50/customer/day	5% Max. - \$83.33/ month or \$250.00/quarter
Mohall	Sales and Use	10-1-92	114	1%	New farm machinery	\$25/sale	None
Mott	Sales and Use	1% - 4-1-97 ½% - 4-1-04	153	1½%	None	\$25/sale	None
Munich	Sales and Use	1-1-99	173	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Napoleon	Sales and Use	10-1-96	144	1%	Natural gas	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Neché	Sales and Use	1-1-04	201	1%	Natural gas New farm machinery	\$25/sale	None
New England	Sales and Use	10-1-02	194	1%	None	\$25/sale	None
New Leipzig	Sales and Use	1-1-99	174	1%	None	\$25/sale	None
New Rockford	Sales and Use	10-1-96	145	1%	None	\$25/sale	None
Northwood	Sales and Use	1-1-03	197	1%	Coin-operated amusement	\$25/sale	None
Oakes	Sales and Use	1% - 10-1-96 ½% - 10-1-03	146	1½%	None	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Oxbow	Sales and Use	1-1-02	189	1%	Coin-operated amusement	None	None

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Page	Sales and Use	4-1-05	208	1%	None	\$25/sale	None
Park River ^{2, 3}	Sales and Use Sales and Use	1% - 1-1-95 1% - 7-1-05	130	2%	New farm machinery Coin-operated amusement	\$25/sale	None
Pembina	Sales and Use	1-1-93	119	1%	None	\$25/sale	None
Portland	Sales and Use	1% - 1-1-97 1% - 7-1-03	151	2%	Coin-operated amusement	\$25/sale before 7-1-03 \$50/sale effective 7-1-03	None
Powers Lake	Sales and Use	4-1-97	154	1%	Natural gas New farm machinery	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Reeder	Sales and Use	1-1-03	198	1%	New farm machinery	\$25/sale	None
Regent	Sales only	1-1-97	152	1%	None	\$25/sale	None
Richardton	Sales only	10-1-97	159	1%	New farm machinery Hotel, motel, and tourist court accommodations	\$25/sale	None
Rolette	Sales and Use	1-1-03	199	1%	None	\$25/sale	None
Rolla	Sales and Use	1% - 1-1-94 ½% - 10-1-04	125	1½%	New farm machinery	\$25/sale	None
Rugby	Sales and Use	1-1-93	118	1%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Scranton	Sales only	4-1-02	190	1%	Natural gas	\$25/sale	None
St. John	Sales and Use	1-1-01	186	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Stanley	Sales and Use	10-1-95	137	1%	Natural gas New farm machinery	\$25/sale	3% Max. - \$83.33/ month or \$250.00/quarter
Steele	Sales and Use	10-1-96	147	1%	None	\$25/sale	None
Strasburg	Sales and Use	4-1-93	120	1%	Natural gas Coin-operated amusement	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Tioga	Sales and Use	1-1-95	132	1%	Natural gas New farm machinery	\$25/sale	None
Tower City	Sales and Use	10-1-02	195	1%	Natural gas New farm machinery	\$25/sale	None
Towner	Sales and Use	10-1-98	170	1%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing any product	\$25/sale	3% Max. - \$50.00/ month or \$150.00/quarter
Turtle Lake	Sales and Use	10-1-00	182	1%	New farm machinery New farm irrigation equipment Natural gas Coin-operated amusement	\$25/sale	None

City	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Valley City	Sales and Use	1% - 1-1-92 ½% - 7-1-03	113	1½%	Natural gas New farm machinery	\$25.00/sale before 7-1-03 \$37.50/sale effective 7-1-03	None
Velva	Sales and Use	1-1-99	175	1%	Natural gas New farm machinery New farm irrigation equipment Coin-operated amusement Bingo cards	\$25/sale	None
Wahpeton	Sales and Use	1% - 7-1-91 ½% - 10-1-99	111	1½%	Coin-operated amusement New farm machinery New farm irrigation equipment Bingo cards	\$25/sale	3% No maximum
Walhalla	Sales and Use	10-1-97	160	1%	Natural gas New farm machinery	25/sale	None
Washburn	Sales and Use	10-1-00	183	1%	Natural gas	\$25/sale	3% Max.-\$83.33/ month or \$250.00/quarter
Watford City	Sales and Use	10-1-98	171	1%	Natural gas New farm machinery Coin-operated amusement	\$25/sale	3% Max.-\$83.33/ month or \$250.00/quarter
West Fargo	Sales and Use	10-1-94	129	1%	Coin-operated amusement	\$25/sale	None
Williston	Sales and Use	1% - 7-1-91 1% - 4-1-03	109	2%	Natural gas New farm machinery New farm irrigation equipment Coin-operated amusement	\$25/sale before 4-1-03 \$50/sale effective 4-1-03	3% Max. - \$83.33/ month or \$250.00/quarter
Wilton	Sales and Use	10-1-00	184	1%	Natural gas	\$25/sale	3% Max.-\$83.33/ month or \$250.00/quarter
Wimbledon	Sales and Use	1-1-05	205	1%	Natural gas sales New farm machinery	\$25/sale	None
Wishek	Sales and Use	4-1-97	155	1%	None	\$25/sale	3% Max.-\$83.33/ month or \$250.00/quarter

County	Tax Type	Current Rate Initiated	Location Code	Rate	Exemptions	Maximum Local Option Tax Due	Permit Holder Compensation
Cass	Sales only	10-1-99 Repealed effective 4-1-03	501	½%	Coin-operated amusement Coin-operated vending sales of 99 cents or less	\$12.50/sale	None
Steele ⁴	Sales and Use	4-1-05	503	1%	Coin-operated vending sales of 99 cents or less Coin-operated amusement	\$25/sale	None
Walsh ³	Sales and Use	4-1-01	502	¼%	Natural gas New farm machinery New farm irrigation equipment Steam used for processing	\$25/sale	None

¹ **Grand Forks Rate:** City tax rate is 2 percent on sales of prepared food, beverages, on-sale alcoholic beverages and leasing or renting of hotel, motel, bed and breakfast or tourist court accommodations; and 1¾ percent on all other sales, rentals or leases subject to the city sales and use tax.

² **Park River Rate:** From 1-1-05 through 6-30-05 the city sales tax rate was 2 percent and the use tax rate was 1 percent. Effective 7-1-05 both the sales and use tax are at 2 percent.

³ **Walsh County:** Edinburg, Grafton, Hoople and Park River are located within Walsh County. The county sales tax is in addition to state and city sales tax.

⁴ **Steele County:** Finley and Hope are located within Steele County. The county sales tax is in addition to state and city sales tax.

This schedule includes all city and county sales and use taxes imposed through July 1, 2005.

STATE SALES TAXES

The Office of State Tax Commissioner has prepared a Sales and Use Tax Requirements guideline that provides a better understanding of the North Dakota sales and use tax laws. This guideline can be obtained by contacting the Sales Tax Compliance Section of the Office of State Tax Commissioner and is available on our web site at www.ndtaxdepartment.gov.

The state sales tax rates as of July 1, 2005 are:

- 2 percent on the gross receipts from retail sales of natural gas.
- 3 percent on the gross receipts from retail sales of **new** farm machinery, **new** irrigation equipment used exclusively for agricultural purposes and sales of **new** mobile homes. (**Used** farm machinery, **used** irrigation equipment, **used** mobile homes and **new and used** farm machinery repair parts are exempt.)
- 6 percent on the gross receipts from the leasing or renting of hotel, motel or tourist court accommodations for periods of less than 30 consecutive days, **excluding** bed and breakfast accommodations. (5 percent before July 1, 2003)
- 7 percent on the gross receipts from retail sales of alcoholic beverages sold for consumption either on or off the premises.
- 5 percent on the gross receipts from all other taxable retail sales of tangible personal property and services.